

R590. Insurance, Administration.

R590-172. Notice to Uninsurable Applicants for Health Insurance.

R590-172-1. Authority.

This rule is adopted pursuant to the provisions of Section 31A-29-116.

R590-172-2. Scope.

This rule applies to all health insurers doing business in the State of Utah.

R590-172-3. Definitions.

For the purpose of this rule the commissioner adopts the definitions as particularly set forth in Section 31A-1-301 and in addition, the following:

The term, "health insurance," is defined in Subsection 31A-29-103(5)(a) as any hospital and medical expense-incurred policy; nonprofit health care service plan contract, and health maintenance organization subscriber contract. It does not include workers' compensation insurance, automobile medical payment insurance, or insurance under which benefits are payable with or without regard to fault and which is required by law to be contained in any liability insurance policy.

R590-172-4. Rule.

(1) Notification of Denial to Applicants.

Every health insurer writing health insurance in the State of Utah will provide a written notice containing the requirements in R590-176-5(3)(a), Health Benefit Plan Enrollment, and the following language to each applicant for health insurance coverage that is denied coverage by the insurer for reasons relating to health:

"You have been denied health insurance coverage due to a health condition which is uninsurable. The Utah Comprehensive Health Insurance Pool (HIPUtah) was created to provide health insurance to residents of Utah who are denied health insurance and who are considered uninsurable. If you have lived in the State of Utah for 12 consecutive months prior to applying for insurance with this company you may be eligible for health insurance coverage with HIPUtah.

"However, if you have not lived in the state of Utah for 12 consecutive months, but you are a Utah resident and you are coming from another State's high risk pool or have had 18 months of continuous coverage with the most recent coverage being through a group health plan, you may still be eligible for health insurance coverage with the Utah Comprehensive Insurance Pool.

"Part or all of the preexisting waiting period will be waived if you are an eligible individual according to the Health Insurance Portability and Accountability Act (HIPAA) or your previous coverage was involuntarily terminated for reasons other than for nonpayment of premium or fraud, and application for HIPUtah is made within 63 days of that termination. The amount of credit given will depend on the length of time an applicant was previously covered under that health insurance.

"If application for coverage with HIPUtah is made within 30 days of this denial letter and you are declined coverage with the pool,

HIPUtah will issue a certificate of insurability and you may reapply for coverage with this company within 30 days of the certificate date.

"To find out whether you qualify for pool coverage or to make application for pool coverage, Salt Lake City area residents should call 442-6660. Residents of other areas in Utah should call 1-800-638-5038, ext. 6660, toll free. The HIPUtah's mailing address is P.O. Box 30192, Salt Lake City, Utah 84130-0192."

(2) Notification of Denial to HIPUtah.

(a) Every health insurer writing health insurance in the State of Utah shall provide written notice to HIPUtah for each application in which applicant does not have current individual coverage, for insurance the insurer has denied.

(b) The notice to HIPUtah shall contain the name and address of the applicant who was denied insurance, and no other personal information. If the applicant applied for the insurance through an insurance producer, the written notice shall provide the name and the address of the insurance producer. The information must be presented in an excel spreadsheet in the format; Applicant, Last Name, First Name, Mailing Address, Producer, Last Name, First Name, Mailing Address.

(c) The notice shall be submitted to HIPUtah on the 1st and 15th of each month. The notice shall be transmitted electronically to HIPUtah through a secure email address at hiputah@exchangeforum.utah.gov.

R590-172-5. Enforcement Date.

The commissioner will begin enforcing the revised provisions of this rule 45 days from the effective date of the rule

R590-172-6. Severability.

If a provision of this rule or its application to any person or circumstance is for any reason held to be invalid, the remainder of the rule and the application of such provisions are not affected.

KEY: health insurance

Date of Enactment or Last Substantive Amendment: September 30, 2005

Notice of Continuation: May 5, 2005

Authorizing, and Implemented or Interpreted Law: 31A-29-116

NOTICE OF PROPOSED RULE AMENDMENT

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

Agency Information

- Agency: Insurance - Administration
Room no.: 3110
Building: STATE OFFICE BLDG
Street address 1: 450 N MAIN ST
Street address 2:
City, state, zip: SALT LAKE CITY UT 84114-1201
Mailing address 1: PO BOX 146901
Mailing address 2:
City, state, zip: SALT LAKE CITY UT 84114-6901

Contact person(s):

Name: Phone: Fax: E-mail:

Jilene Whitby	801-538-3803	801-538-3829	jwhitby@utah.gov
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(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 33642 Date filed: 05/13/2010 02:16 PM
State Admin Rule Filing Key: 149751
Utah Admin. Code ref. (R no.): R 590 - 172 -
Changed to Admin. Code ref. (R no.): - -

Title

- Title of rule or section (catchline):
Notice to Uninsurable Applicants for Health Insurance.

Notice Type

- Type of notice: Amendment

Rule Purpose

- Purpose of the rule or reason for the change:
The changes to this rule have been requested by HIPUtah to collect data about individuals denied coverage by insurance companies.

Response Information

- This change is a response to comments by the Administrative Rules Review Committee.
No

Rule Summary

- Summary of the rule or change:

The changes require health insurers to provide notice and information to HIPUtah about applicants they deny

coverage to who do not have individual insurance coverage. The rule states what information is to be collected and when it should be sent electronically to HIPUtah.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

The changes to this rule will have no effect on the department or state budgets. It will not require any filings to the department and so no additional work load. The changes require health insurers to collect and submit information to HIPUtah.

B) Local government:

Affected: No

The changes to this rule will have no fiscal impact on local government since the rule changes deals with the relationship between insurers and HIPUtah.

C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

The changes will have no fiscal impact on small businesses. It will only impact insurers who are required to collect data regarding applicants they deny coverage to.

D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

Health insurers will be required to collect and send information electronically to HIPUtah about applicants they deny coverage to. Costs to insurers will be in the time it takes to collect and transmit the information. HIPUtah will also have some cost in time to sort and analyze the information. There should be no cost filtered down to those insured by HIPUtah.

Compliance Cost Information

8. Compliance costs for affected persons:

Health insurers will be required to collect and send information electronically to HIPUtah about applicants who are denied coverage by them. Costs to insurers will be in the time it takes to collect and transmit the information. HIPUtah will also have some cost in time to sort and analyze the information.

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

There should be no fiscal impact on Utah businesses resulting from the changes to this rule.

B) Name and title of department head commenting on the fiscal impacts:

Neal T. Gooch, Acting Insurance Commissioner

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :

31A-29-116

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

Official Title of Materials Incorporated (from title page):

Publisher:

Date Issued:

Issue, or version:

ISBN Number:

ISSN Number:

Cost of Incorporated Reference:

Adds, updates, removes:

Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) :

07/01/2010

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy):

07/08/2010

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
- health
insurance

File Information

15. Attach an RTF document containing the text of this rule change (filename):

There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and title:

Jilene Whitby Information
Specialist

Date (mm/dd/yyyy): 05/13/2010